



COMMENTARY FOR THE eMINI S&P 500 DEC 2009 CONTRACT (the "ES")

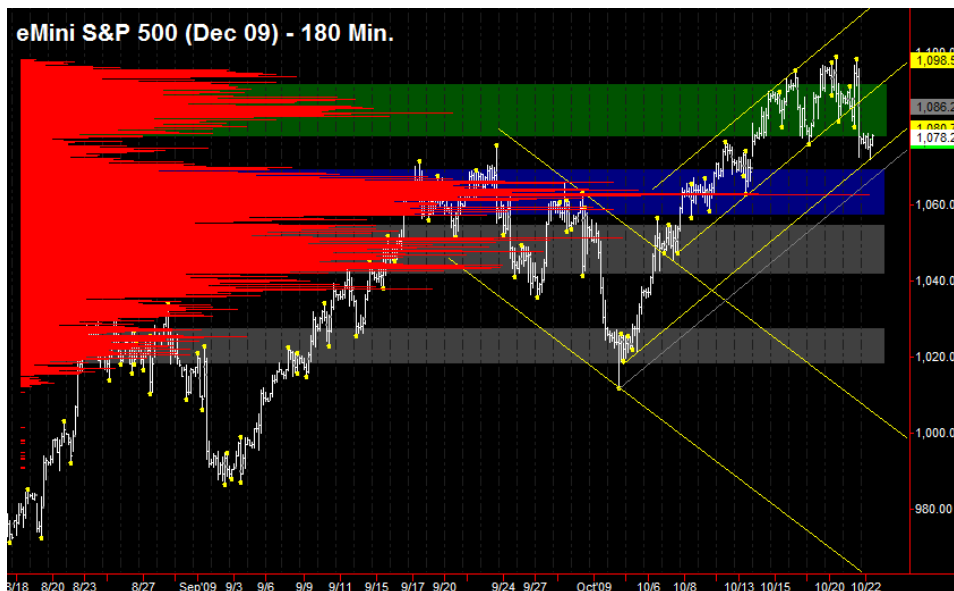
The Precise Take – ES warns of susceptibility to weakness

Leaders Analysis: The leaders were outright bullish on equities right up until the Wells Fargo downgrade late yesterday that led to the larger selloff. Overnight, they have not moved much and are not giving any further signals. When all markets turn on a dime so easily, we must question the strength of the prevailing trend.

Medium Term Analysis: With earnings season nearly completed, looking ahead to the news calendar, there is little to get excited about. The ES is not as easily able to shrug off bad news as it was earlier in the year, so it will likely take more than one more upside surprise to restart the rally. Given the dubious nature of many of the headline statistics, this is more than a trivial possibility. However, if that does not occur, bulls may not regain control until the FOMC Announcement on Nov 4 or the monthly Employment Situation report on Nov 6. Longs will have regained control if the ES accepts above 1088.50, the highest volume point of control for the week in confluence with the 61.8% retracement of the recent move down.

Trading Today: Overnight, the ES found support at Fib confluence at 1072.00. As we write, the ES surged mildly on the weekly Jobless report. Preferred early trade is to sell between 1082.00 to 1085.25, which includes the daily pivot, highest price point of control for the Dec 09 ES contract, and 50% retracement of the down move, where shorts are expected to enter aggressively. If price does not reach that area, we may settle for shorting near the weekly pivot at 1080.25. The highest volume point of control of 1063.00 is the target into tomorrow, and there are several forms of support between there and 1067.50 today.

Today's volume profile:



Day Trading Guide

Daily Gaps

1078.00 (4:00 pm close)
1078.00 (4:15 pm settlement)

Daily Pivots

1083.00 (day-session-only)
1083.00 (day & overnight sessions)

Unfilled Gaps

1011.75 to 1014.75 (price)
1038.50 to 1042.50 (price)
1054.25 to 1056.75 (price)
1072.00 to 1077.75 (price)
1075.50 to 1078.25 (volume)

Upside Targets

1126.25, 1144.75, 1160.75

Downside Targets

1063.00, 1051.25, 1016.00, 991.00,
948.75, 922.25, 913.00, 854.75

Countertrend Longs*

1065.50, 1046.25

Countertrend Shorts*

None

* Countertrend trades have a 2 point target and 2 point stop, are valid during the day session only, and are not recommended on high volume moves or around major news releases.

Today's Scheduled News

Major Market Movers

Leading Indicators at 10:00 am

Minor Market Movers

None

Tomorrow's Scheduled News

Major Market Movers

Existing Home Sales at 10:00 am

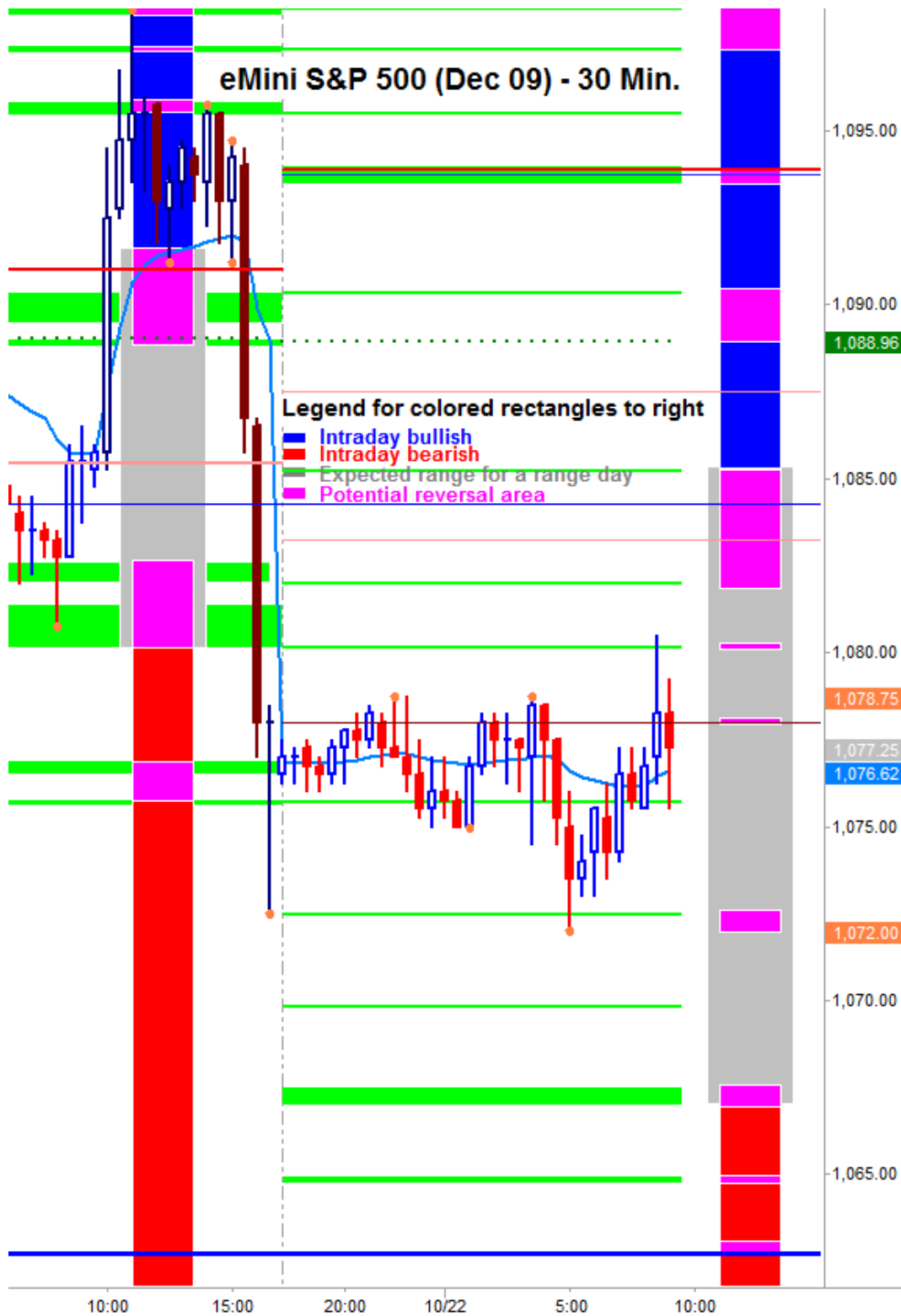
Minor Market Movers

None

Free intraday updates at <http://www.precisioncapmgt.com>.

Disclaimer: The information in this report is general market commentary and for educational purposes only. No personal trade recommendations are being made hereby. Trading futures and securities is highly risky and you can lose a substantial amount of money. Past performance is not necessarily indicative of future results. All charts herein created with TradeStation.

Today's Support and Resistance:



Legend: Market Profile points of control (POC's) are calculated each day and displayed as lines colored shades of blue or red. Shades of blue measure POC's over the life of the contract. Shades of red measure POC's for the previous day only. Confluence areas of support and resistance are calculated using Fibonacci retracement and extensions, market profile POC, and pivot formulas calculated on monthly, weekly and daily (day-session-only and day/overnight combined) time frames. These areas are drawn as shaded green boxes. Previously drawn areas have not been adjusted retroactively.

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